8/24/88 C5800-3

THE WEEKLY OF
BUSINESS AVIATION™

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TREASURY DEPARTMENT officials conducting a study of aircraft depreciation (BA, June 13/185) have reiterated statements to industry participants that they "welcome any comments or suggestions from you regarding this study. It would be most helpful (to receive) such input by early September."

PORSCHE AVIATION PRODUCTS said it has received West German LBA certification of the Porsche PFM 3200 engine in both the Cessna 172 and 182 and anticipates FAA certification of the engine installation in the 172 next month (BA, June 13/187). Porsche engineers in Germany are currently working on a 240-horsepower, turbocharged version of the PFM 3200, with FAA certification anticipated in the first quarter of 1989.

TO HELP COUNTER what it terms FAA's "heavy handed enforcement policies," the National Air Transportation Foundation is sponsoring a Part 135 Air Charter Compliance Seminar in Atlanta next month. The Sept. 19-20 session will concentrate on what FAA officials look for during an inspection and an operator's rights if violations or discrepancies are found.

AVIATION SAFETY takes a back seat to curbing drug smuggling according to Rep. Richard Schulze (R-Pa.) During a recent hearing before the House Ways and Means oversight subcommittee, AOPA told the subcommittee of an incident in which a pilot, who was later found not to be trafficking in drugs, was forced to land. The wake from a pursuing Customs Service helicopter caused the airplane to flip over, resulting in a total loss, although the pilot was not seriously injured. Rep. Schulze said he "would rather have 10 such accidents, assuming no injuries, than see one drug smuggler get into the country."

DOT HEARING ON MASSPORT ISSUE OPENS THIS WEEK

A public hearing into the effects of the PACE Plan at Boston Logan Airport gets underway this Tuesday before a Transportation Department administrative law judge, but a final decision by DOT is not expected until late this year. The hearing is part of an investigation ordered by DOT Secretary James Burnley as a result of complaints filed with FAA by a number of industry groups about the restrictions and sharply higher fees imposed on small aircraft operators at the airport (BA, May 9/146).

The participants, which include the states of Maine and New Hampshire, AOPA, NBAA and RAA among others, have produced voluminous files of statements and exhibits. Unlike a court proceeding, the "sponsors" of those exhibits will not testify directly on their submissions, but will be responding to questions from Law Judge Burton Kolko, the DOT Public Counsel who is charged with representing the public's interest, and opposing parties. Witnesses cannot be cross-examined by parties on the same side of the issue.

The hearing begins Tuesday at DOT headquarters and is expected to last at least a week and possibly longer. After the hearing concludes, parties will file briefs and Kolko is supposed to issue a recommended decision by Nov. 15. A final decision will ultimately be made by Deputy Transportation Secretary Mimi Dawson, since Burnley has recused himself from the case because of a potential conflict of interest. After ordering that the issue be handled by DOT, instead of FAA, Burnley hired an attorney to represent him in a private legal matter. That attorney, Judith Hope, has been advising persons involved in the Massport case, so Burnley disqualified himself from passing judgment on the Massport issue (BA, Aug. 1/34).

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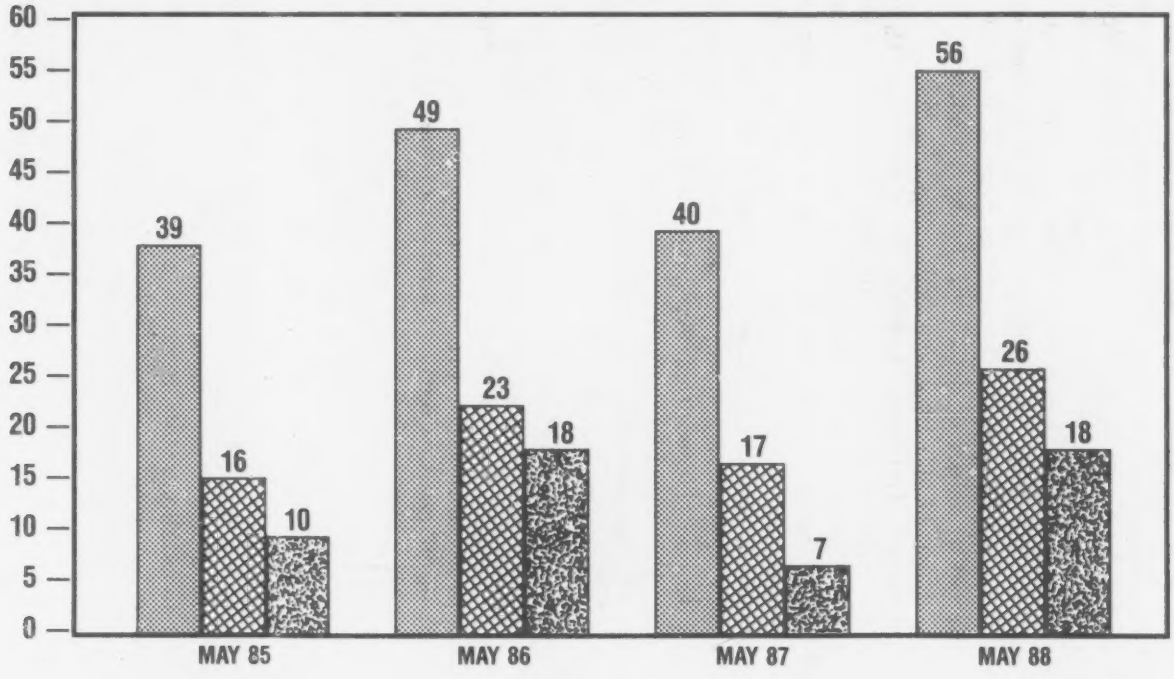
USED RETAIL JET DELIVERIES - NORTH AMERICA



LIGHT	MEDIUM	HEAVY
SN601 Corvette	Citation 3	CL600/601 Challenger
Beechjet 400	Falcon 20/200	Falcon 50/900
Citation 1 + 2	BAE 125 (All Models)	G1159 Gulfstream 2/2B/3/4
Falcon 10 + 100	I.A.I. 1123/1124/1124A Westwind	Lockheed Jetstar (All Models)
I.A.I. 1121 A/B/C Commodore Jet	I.A.I. 1125 Astra	All Airliner Type Jets
Lear Jet 23/24/25/28/29/35/36	Lear Jet 55/55ER/55LR/55XLR/55C	Such as Boeing 707 and similar type aircraft
MU300 Diamond 1/1A/2	Saberliner (All Models)	
MS760 Paris Jet		

SOURCE: AVDATA, INC., WICHITA, KS.

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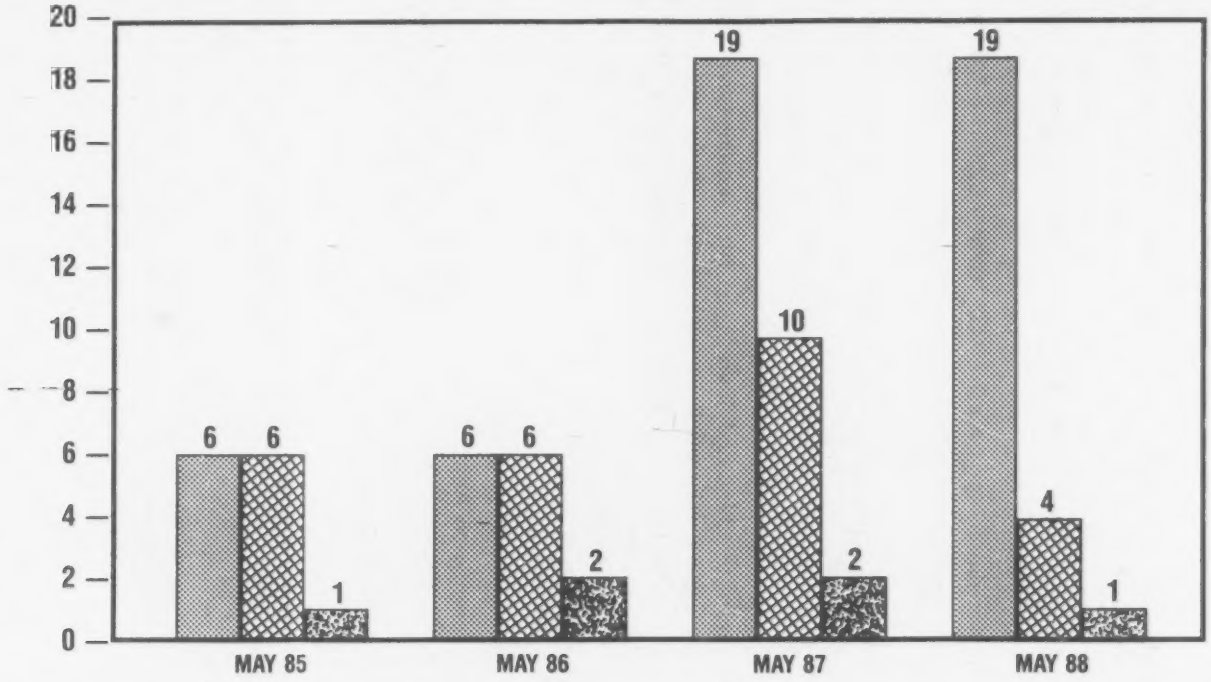
USED RETAIL JET DELIVERIES - OUTSIDE NORTH AMERICA



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MS760 Paris Jet		

SOURCE: AVDATA, INC., WICHITA, KS.

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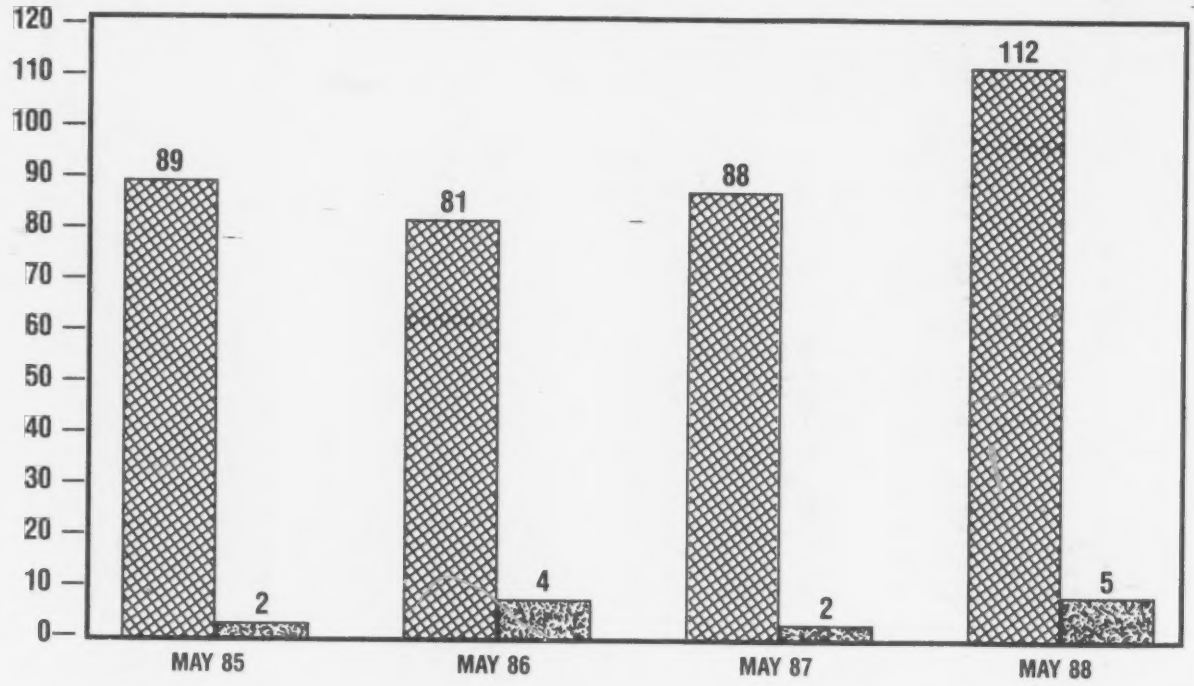
JULY 88

USED RETAIL TURBOPROP DELIVERIES - NORTH AMERICA



MEDIUM

Turbo Commander (All Models)
Beech 90 King Air (All Models)
Beech 100 King Air (All Models)
Beech 200 King Air (All Models)
Beech 300 King Air (All Models)
Cessna 400 SRS Conversions
Cessna 425/441/406/435
Mitsubishi MU2 (All Models)
PA31T/PA42 Cheyenne (All Models)
Swearingen Merlin/Metro (All Models)

HEAVY

G159 Gulfstream 1
All Airliner Type Turboprops
Such as F-27 Friendship and similar type aircraft

SOURCE: AVDATA, INC., WICHITA, KS.

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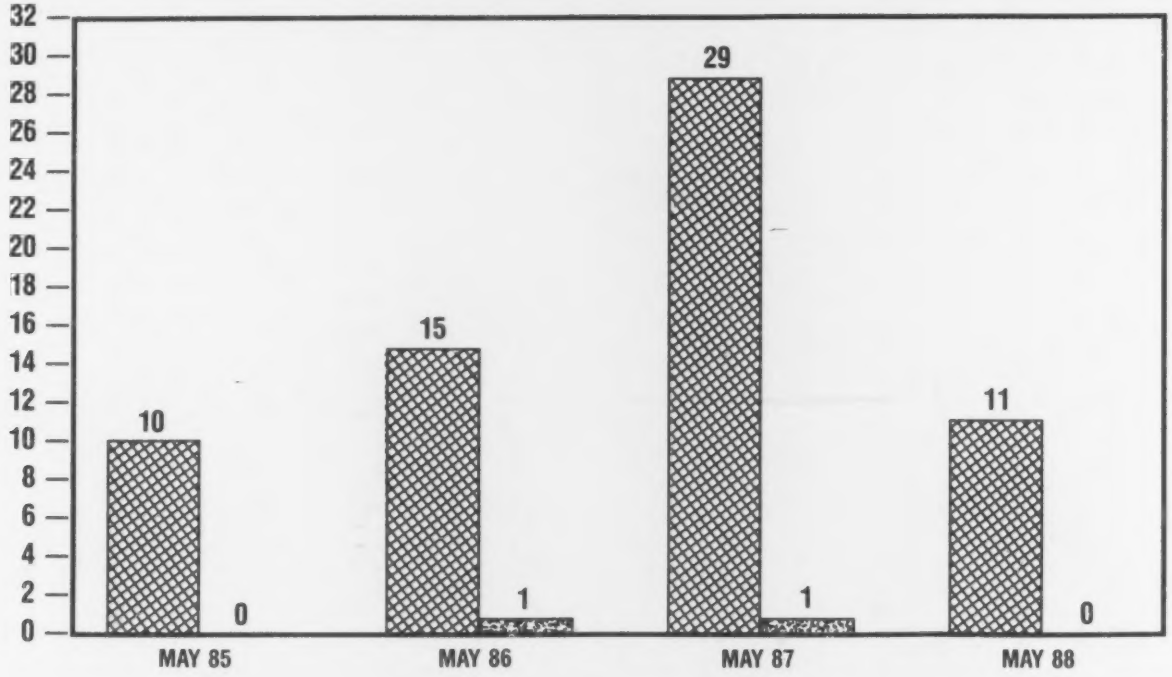
JULY 1988

USED RETAIL TURBOPROP DELIVERIES - OUTSIDE NORTH AMERICA



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SOURCE: AVDATA, INC., WICHITA, KS.

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NOTE

ONLY THE FOLLOWING PAGES OF THIS

PUBLICATION HAVE BEEN FILMED

Cov. 1, Pgs. 90, 91a, 92a,

93a, 94a, 95a

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THE WEEKLY OF
BUSINESS AVIATION™

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FAA ENFORCEMENT policies are a hot topic in the air taxi industry, judging by response to the National Air Transportation Foundation's seminar on the subject this Monday and Tuesday in Atlanta (BA, Aug. 22/57). When the program was first scheduled, NATA anticipated about 30 registrants and was hoping for 45. As of last Friday, 136 people had signed up for the session. NATA President Larry Burian said the response is "indicative of concern in the Part 135 industry about FAA's enforcement policies." He said the association is planning a similar program in January in California.

ADMINISTRATOR Allan McArtor told the Senate aviation subcommittee last week FAA is "literally on the threshold of releasing a (drug testing) rule we can live with..." He said the agency is considering hiring private companies that track aircraft ownership to help combat the use of general aviation aircraft in drug smuggling operations.

NATIONAL Transportation Safety Board has directed its staff to delete about half of a report based on a 21-month review of accidents involving VFR flight into Instrument Meteorological Conditions (IMC). NTSB members told the staff to eliminate about 30 pages of narrative text and anecdotal information from the approximately 60-page report. When published, the report will now contain a very brief summary statement, along with a series of charts and graphs of data compiled in the study, but little or no explanation of what the numbers mean (see related article on Page 92).

EPA ADOPTS FINAL RULES FOR UNDERGROUND STORAGE TANKS

Environmental Protection Agency last week adopted final regulations covering the testing and installation of underground storage tanks, a rule that will require widespread replacement of existing UST installations with new equipment during the next 10 years. The final rule, which is expected to be published in the Federal Register later this month, contains relatively few changes from the original proposal EPA published in April 1987 (BA, April 13, 1987/113).

For existing tanks the rules require installation of leak detection equipment within the next five years, with operators of the oldest tanks required to install it most rapidly. Leak detection must be in place by December 1989 for tanks that are 25 years or older while tanks under 10 years old will not have to have leak detection devices until December 1993. In addition, existing tanks must have corrosion protection and spill/overfill prevention devices in place by December 1998. Industry officials concede that those deadlines will, in effect, require replacement of most existing bare-steel tanks within the next 10 years.

In addition, the new rules mandate monthly monitoring of underground tanks and tank tightness tests. Monitoring activities include automatic tank gauging, vapor monitoring, interstitial monitoring and ground-water monitoring. The final rule makes some changes from the original proposal, including more frequent tank tightness testing (annually) of unprotected tanks during the initial 10-year upgrading period; less frequent monitoring of new and upgraded tanks until age 10; phase-in of leak detection over five years at existing tanks based on age; and, more stringent release detection for all pressurized piping systems.

While compliance with the new regulations will cost fixed-base operators and other owners of

(Continued on the following page)

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EPA (Cont.)
underground tanks millions of dollars, industry officials said last week they feel EPA generally struck a fair balance between the need to protect the environment and industry's ability to pay for that protection. Andy Cebula of the National Air Transportation Association noted that the new rules do not require installation of secondary containment vessels or doubled-walled tanks for petroleum products, something environmental groups had advocated.

Still, the new rules will have a major impact on FBOs and other tank operators. Cebula said he expects "lots of people will be scrambing around for the next year" to comply. One problem he cited is the competition for firms qualified to install and test tanks, adding that "it's going to be difficult to get qualified people to come in and get done what you need to have done" because their services will be in demand. He cautioned FBOs to protect themselves against unscrupulous operators who may not be qualified to perform tank work.

EPA deferred adoption of final rules affecting hydrant fueling systems in place at some commercial airports and airports at Defense Department bases. Hydrant systems generally consist of one or more very large bulk storage tanks connected by underground piping to various aircraft fueling locations on the airport.

BUSH OPPOSES AIRPORT RESTRICTIONS, SUPPORTS NAS PLAN -- Vice President George Bush says that if he is elected President he will "oppose unreasonable restrictions on airport access which effectively could eliminate the use of airports by small businesses, hospitals, and individuals."

Comments attributed to Bush were contained in a position paper issued by his campaign staff late last week. The paper addresses a broad range of aviation issues, including proposals for taking the Aviation Trust Fund "off-budget" so programs financed by Trust Fund revenues would not be subject to government-wide spending cuts (BA, July 4/4). Bush said rather than taking the Aviation Trust Fund off budget, "we need a broad national consensus, requiring cooperation by Congress and strong support from state and local authorities, to further expand and modernize the nation's airports and our air traffic control system." Bush said as President, he would "provide the leadership needed to break the logjam that has prevented any new major airport from being built since the early 1970s. I will ensure the federal government and local communities work together to develop additional airport capacity to satisfy the needs of increasing numbers of aviation users, recognizing both legitimate interstate commerce concerns and the role of local communities in making decisions concerning airport development."

Bush also said he would make available funds to complete the National Airspace System (NAS) Plan and would "seek action by the Congress to give our transportation experts the flexibility needed to allocate federal funds to meet the most compelling airport capacity needs." Bush said that as a pilot, he has a "high regard for the men and women who manufacture our airplanes, fly them, control them through the air, maintain them on the ground, and serve our air transporation system."

In a policy paper released earlier this year, Democratic presidential candidate Gov. Michael Dukakis expressed support for the Massachusetts Port Authority's PACE Plan, saying "as President, I will charge the FAA to work with our busiest airports to develop and implement workable solutions and require PACE-type decongestion remedies where they make sense...scheduled jet service deserves a higher priority than unscheduled general aviation" (BA, July 11/9).

BAE TO MAKE DECISION ON STRETCHED JETSTREAM BY YEAREND -- British Aerospace will decide if it will lauch a 29-seat stretched version of the Jetstream 31 aircraft before yearend, said Sydney Gillibrand, commercial aircraft division director. Gillibrand said "there is no engineering difficulty in stretching the aircraft by approximately eight feet, but we want to be assured that we will get our money back before we make the launch decision." Gillibrand said to spread the risk of the approximately $41 million it is likely to cost, BAe is seeking a development partner before making the go-ahead decision.

Mockup of the Jetstream 41, which was shown to attendees at the Farnborough Air Show, features plugs fore and aft of the wing and an additional door aft of the wing. The current Jetstream 31 has only a forward door. Gillibrand said the rear door and additional baggage room are necessary, particularly for the North American market. Engines may be upgraded-14 version of the Model Garrett TPE-331 or the Pratt & Whitney PW100.

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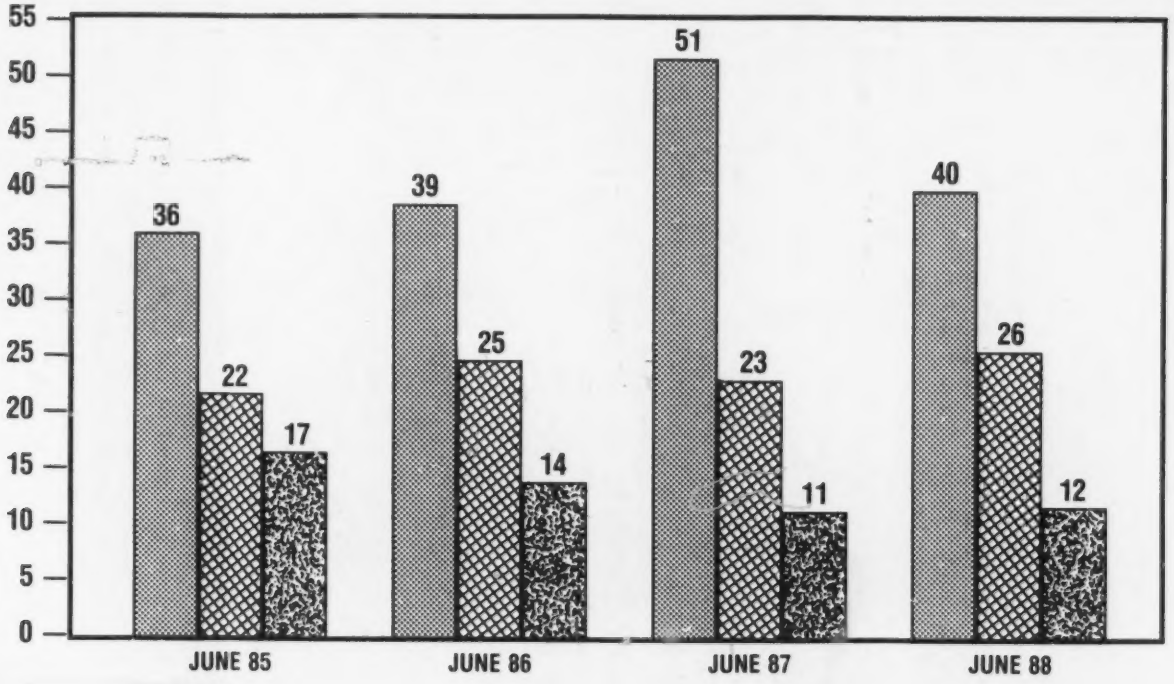
STATUS OF AIRPORT & AIRWAY TRUST FUND

JULY 31, 1988

	CURRENT MONTH	FISCAL YEAR TO DATE
I. BALANCE - BEGINNING OF PERIOD	$ 11,039,735,891.32	$ 9,934,926,899.36
II. RECEIPTS:		
A. Excise Taxes (Transferred from General Fund):		
Any liquid fuel except gas	6,108,000.00	62,593,000.00
Tires used on aircraft	0.00	0.00
Tubes used on aircraft	0.00	0.00
Gasoline		
1. Commercial 9 cents tax	232,000.00	3,816,000.00
2. Non-commercial 9 cents tax	4,106,000.00	24,881,000.00
3. Non-commercial 3 cents tax	1,269,000.00	8,448,000.00
4. Transp by air,seats,berths,etc.	213,741,000.00	2,237,713,000.00
Use of international trav fac	7,687,000.00	71,719,000.00
Transp of property and cargo	12,533,000.00	138,368,000.00
Total Tax Receipts	245,676,000.00	2,547,538,000.00
B. Less Reimbursement to General Fund - Refund of Taxes and Estimated Tax Credits :		
1. Civil aircraft	0.00	9,320.00
2. Any liquid fuel except gas	0.00	2,207,260.00
3. Gasoline -Retailer's tax	0.00	2,800,000.00
4. Gasoline -Manufac tax	0.00	0.00
Total Reimburse For Tax Refunds	0.00	4,816,580.00
Net Tax Receipts	245,676,000.00	2,542,721,420.00
C. Interest on Investments	1,560,551.02	884,305,733.67
Net Receipts	247,236,551.02	3,427,027,153.67
III. EXPENDITURES :		
A. Federal Aviation Administration :		
1. Operations	68,829,557.00	688,295,757.00
2. Grants-in-aid for airports	75,239,779.93	638,610,453.00
3. Facilities & equipment	93,785,731.56	850,937,409.63
4. Research engineering & development	16,685,047.22	130,391,156.77
B. NOAA weather services	0.00	21,218,250.00
C. Interest on Refund of Taxes	0.00	68,700.00
Total Expenditures	254,540,115.71	2,329,521,726.40
IV. BALANCE - END OF PERIOD	11,032,432,326.63	11,032,432,326.63
ASSETS :		
Undisbursed Balances:		
Airport & Airway Trust Fund	158.04	
Operations	3,748,449.41	
Grants-in-aid for Airports	-15,646,859.30	
Facilities & Equipment	29,933,912.67	
Research Engineering & Development	9,059,665.81	
NOAA weather services	0.00	
		$ 27,095,326.63
Investments :		
U.S. TREASURY CERTIFICATES OF INDEBTEDNESS:		
8-5/8% maturing JUNE 30, 1989	$ 11,005,337,000.00	
		11,005,337,000.00
Total Assets		11,032,432,326.63
LIABILITIES:		0.00
EQUITY:		
Excess of Assets over Liabilities		$ 11,032,432,326.63
Total Liabilities and Equity		11,032,432,326.63

9/a

USED RETAIL JET DELIVERIES - NORTH AMERICA



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I.A.I. 1125 Astra
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AUGUST 88

92a

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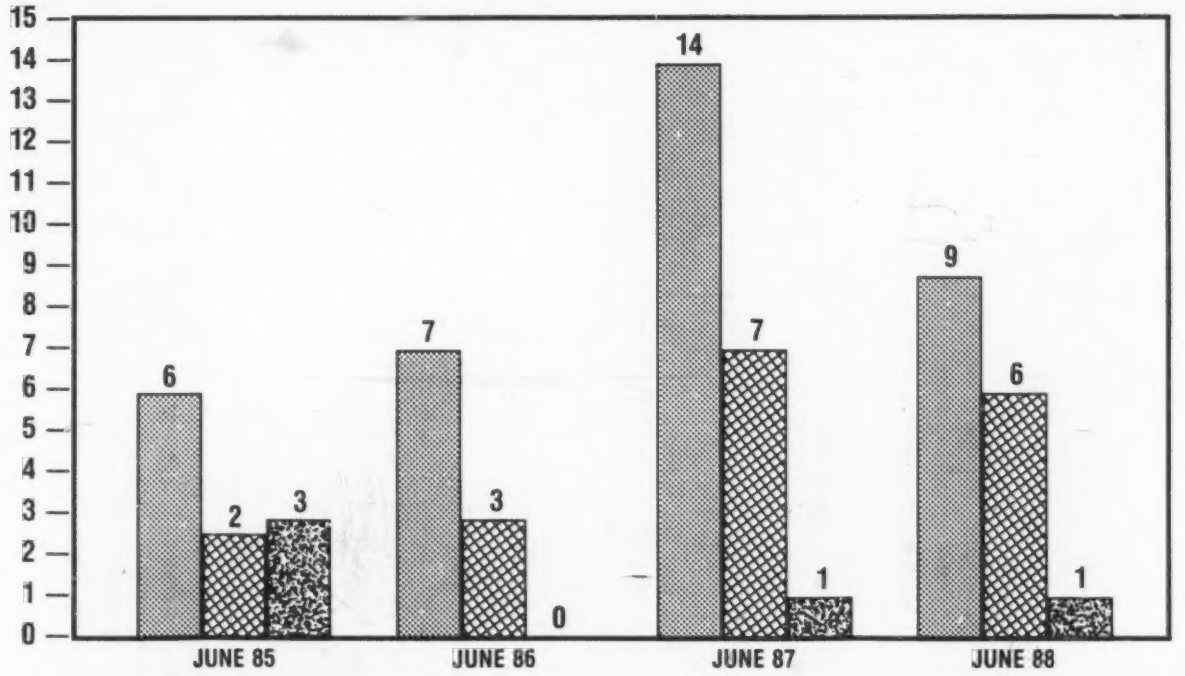

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AUGUST 88